



Consumer Focus

Digitizing the grocery store

A start-up company is aiming to change the way consumers shop for food by offering artificial intelligence (AI) technology to order food with delivery from small micro-warehouses in an hour, the same day or weekly. The company hopes to save consumers time and substantially reduce food waste and pollution. We're sharing their news release here to give you a glimpse of their vision for how this service could transform grocery shopping in the future.

Reinventing grocery shopping

Farmstead, the new AI-powered digital micro-grocer is reinventing the supermarket model with technology that sources and delivers local food from farm-to-fridge in 60 minutes. The company announced Oct. 5 its official launch in the San Francisco Bay Area. Founded just 12 months ago, Farmstead has completed more than 15,000 deliveries to thousands of Bay Area customers, and has raised \$2.8 million in seed funding from Resolute Ventures, Social Capital, Y Combinator, and Joe Montana's Liquid 2 Ventures.

"Farmstead's goal is to fundamentally transform the American grocery experience with AI technology," said Farmstead CEO and co-founder Pradeep Elankumaran. "In 2017, consumers shouldn't have to drive to the store, stand in a line, and buy food of questionable quality which then goes to waste. By sourcing and delivering the best products to customers in just the right amounts in under an hour, we help our customers throw out less food and take fewer trips to the store each week, cutting down on waste and pollution."

Reducing waste

Farmstead's fulfillment model is specifically designed to reduce rampant waste in the grocery industry, where the company says more than 38 million tons of food waste are generated each year, and one in every seven truckloads of perishable foods delivered to a supermarket are wasted. Using proprietary software, Farmstead customers can

quickly select items from a carefully curated array of local farm produce and grocery products. After just one order, Farmstead's AI calculates and predicts users' habits to know exactly how much food to order from local sources daily, weekly, seasonally and annually, reducing food waste substantially.

"This is what a truly efficient, eco-friendly grocery experience should look like in an industry with a model that hasn't changed in 60 years," said Resolute Ventures partner Mike Hirshland. "Farmstead's digital micro-grocery model dramatically improves upon the traditional grocery store, and utilizes the gig economy to modernize what has been a low-tech, wasteful sector."

Unlike today's many online grocery delivery services, Farmstead does not pack and deliver groceries from large warehouses in remote locations, charge high fees to send a third party to the supermarket, or charge for



delivery changes. Rather, Farmstead's grocery fulfillment model cuts out the supermarket altogether.

No lines, no store shopping

By stocking a constellation of micro-warehouses in the Bay Area with just the right amount of local, minimally packaged foods, Farmstead delivery drivers are algorithmically routed to use the most efficient, traffic-free, eco-friendly routes, resulting in less congestion. Farmstead has chosen minimal packaging and reusable ice packs and bags, which drivers collect along with milk bottles from prior Farmstead deliveries for reuse.

Farmstead matches local supermarket prices and won't force users to meet a minimum amount after their first order. Customers can choose flexible delivery

options, including one-hour, same-day and weekly services. If a customer joins a weekly eco-optimized delivery route, their order is delivered for free. Otherwise, delivery is just \$3.99 and one-hour delivery is \$4.99.

Any food that isn't purchased by Farmstead customers is donated to the national food bank network Feeding America, which sends it to a shelter for women in the Bay Area.

For more information visit www.farmsteadapp.com/about.



Editor's Note: This article is adapted from a release by Farmstead.

